

**Evergreen Fire District
Board of Trustees
Meeting**

Meeting Minutes

Regular Board Meeting of January 7th, 2019 – 7:00 pm

CALL MEETING TO ORDER:

Chairman Verworn calls meeting to order at 7:00 pm

TRUSTEES PRESENT:

Brodie Verworn
Kyle Nace
Dave Adams
Jack Fallon
Randy DePaul

EFD PERSONNEL:

Chief Williams
Fire Marshall Covington

RECOGNIZE PUBLIC IN ATTENDANCE:

James Boyce
Andrew Baker
Jacob Pitcher

PUBLIC COMMENT:

At this time, public may comment on any public matter that is not on the Agenda of the Meeting and that is within the jurisdiction of the District.

FINANCIALS:

Discuss and Approve November 2018 Financials

Fallon states there was a check made out on December 5th to Global for \$64,000.00 for the purchase of the new (used) ambulance and asks when there will be a deposit made to cover the purchase. Chief Williams states the purchase will be made equally out of 2 accounts (CIP and 9428) with shipping (approx. \$3500) from 9428. Fallon asks if the transfer has occurred and Covington states he is in process of it. Covington states it was \$40,200 that is to be transferred and will get it done tomorrow.

DePaul makes a motion to accept and approve the November financials as presented; seconded by Adams; motion passes.

PROPOSALS:

(none)

PAST ITEMS/UPDATES:

1. Levy Discussion

Verworn asks if Trustees have made a decision about the numbers that were being emailed back and forth regarding the levy amount and what percentages would be represented in that amount. Fallon distributed documents that he had been working on for the past few months and wants them attached to the Board meeting minutes. A document is presented and Fallon states it is the

sheet that was worked off of at the previous Special Mtg on December 19th; 3% increase over the current rates that personnel is being paid. He states he had forgotten that the 3% increase did not need to be included because taxable valuations would take care of it and bring the dollar up. The second page shows wages at \$13.75 and \$17.25 (3% difference). Fallon states initially wages were calculated at \$14.25 and \$17.75 with requesting \$650,000 (with 3% retirement and \$500 contribution to health insurance) were approximates because participation level is unknown. He states full participation in 3% retirement would be \$28,000 and if full participation in the health contribution would mean \$114,000. He states actual participation will be approximately between 50 to 100 percent which means there will be money left over to accommodate what actual range the District would fall within for health benefits. Fallon states that what he sees left over with a target amount of \$650,000 is approximately \$20,000 left over to work with plus whatever money is left over from non participation in benefits. He states that only \$631,500 should be requested instead of \$650,000 because of adding the 3% increase without needing to and taxable valuations would get the District to that dollar amount in the first fiscal year of the request. Fallon states he came to \$631,500 when using the mill levy amount that corresponds to that amount it is increase by 3% is gets the District up to 38.85 instead of 38.83 mills (\$650,000). He states he was looking at ways to get as close to 38.83 mill request based on 3% increase of what the mill levy request would be currently and increased taxable valuations. Chief Williams states that he wants to budget appropriately for all personnel. He states he knows some personnel may choose to opt out but as a District all personnel need to be provided for, regardless, and doesn't want the District 'shorting itself' by thinking 25 to 50 percent of employees won't take benefits because if they quit or their employment is terminated their replacement may want the benefits. Chief Williams states it would be best to plan for the maximum number of personnel taking benefits. Verworn asks about enrollment or vesting periods and Fallon states there isn't a vesting period when dealing with individual policies. Fallon suggests it is better to start with \$500 and 3% for the first year and then decide what the participation rate was and how it can change based on things like actual cash flow and then be up for review annually. He states he will have to see if Federal Law requires the District to allow personnel to participate in health insurance after their 30th or 31st day of employment and if it applies with less than 50 personnel or more than 50. Fallon states that 50 is a critical threshold and that collective bargaining agreements, self funded or group plans all add a different twist and being that these plans will all be individual plans the District may fall under a different criteria and states retirement doesn't have to be given on the 30th or 31st day. Adams asks if personnel have existing insurance through another employer can that employee take the \$500 District contribution and use it towards any out of pocket premiums or medications etc. Fallon states the only way you can set up a health reimbursement account is if you have a high deductible plan and would not be able to do it through a spouse's plan. Fallon states the IRS defines a high deductible health plan as any plan with a deductible of at least \$1350.00 for an individual and \$2700.00 for a family. Maximum annual contribution to an HSA or MSA is \$7000.00. The \$500 would either cover the entire premium and if not then the employer can put the difference into the HSA. Fallon states that both employee and employer can contribute to an HSA. Fallon asks if they want to go with a permanent or a 10 year levy. Adams states he the public would probably prefer the 10 year, sun-setting levy even though it may create difficulty in the District qualifying for any financing. Covington states the District would have to act quickly within the first couple of years to seek any financing. Verworn agrees with Adams on the voters more accepting of a 10 year sun-setting levy. DePaul states he has talked to a lot of people and can see the advantages of both a permanent and a 10 year levy and states that ultimately, it wouldn't make or break the vote for passing the levy. He states he would agree with however the majority of Trustees want to go with it. Nace states he will also support the decision either way. Fallon states he is in support of a 10 year sun-setting levy. Nace and Verworn ask Fallon what the collective opinion had been for the committee. Fallon states there were 3 things the committee agreed on; 10 year, sun-setting levy, specific mill levy for CIP, and to sell Station 82.

Fallon states that by looking at his cash flow sheet for equipment replacement; the cost of borrowing money for the 20 year period of time is \$256,000 and selling the north station for \$250,000 will get the District going in the right direction to replacing everything on a consistent schedule without even borrowing money. Fallon states the District has not needed Station 82 for 15 years and probably won't for another 15 years but DePaul disagrees and states he would like to see a study done because of the continuous growth Flathead Valley is receiving. He states that is a discussion to be had down the road and should not be tied into the levy. Fallon states it is not tied into the levy but is a reality that he feels needs action taken on within the next 12 months. DePaul states it should not even be a topic of discussion at the current Board meeting. Fallon reiterates it was one of the 3 main points of the committee and it was in answer to Verworn's question. Adams states his concern is water supply for the north because it is the water supply for everyone North of Black Gold Road. Fallon states if the North station was sold the District doesn't have to sell the well; it can be parceled out separately. Fallon states the plumbing can be changed and a house built that is insulated and heated and have a fill station outside of the existing building. Verworn asks for clarification on whether the land was bought or donated. Chief Williams states it was donated. Verworn asks if there was any contingency upon keeping or selling the property. Chief Williams states he doesn't know of any documents and has never seen any documents and that the land was donated by Darlene Jump. Verworn states that this topic will be revisited at a later date and concentrate on a workable resolution for the District. Verworn acknowledges that the committee was in favor of a 10 year levy. Chief Williams states from a Department standpoint the District would be better served with a permanent levy but he is also a realist and supports whatever offers the greatest chance of passing the levy. Chief Williams states he is in agreement with Fallon regarding CIP and being able to put away \$200,000 a year there may never be a need for financing apparatus/equipment. He states his experience has been that even on grants the District would have to have a guaranteed match. DePaul states that after having talked to several people regarding a mill amount along with a dollar amount stated on the ballot; he would like to see only the mill amount; not a dollar amount. Fallon states that \$650,000 asks for \$52.42: \$631,500 asks for \$50.93 (tax consequences for \$100,000). Fallon points out that the mill amount for 1 year at 3% inflation for asking \$631,500 is \$38.85 which is 37.72 mills with 12.54 going to CIP. James Boyce asks if the levy fails then what happens and Fallon states the Board would have to come up with something to go back to the voters with prior to mid-July. Boyce asks why the requested amount has dropped from \$650,000 to \$631,500 and Fallon states \$650,000 will be available on July 1st if the District starts at \$631,500 due to 3% increase in taxable valuations. Boyce asks if that is 'guaranteed' and Fallon states it is not. Boyce is concerned because \$650,000 (guaranteed) was the 'bare bones' minimum in everything including benefits, retirement, number of personnel and etc. Fallon states he works with numbers all of the time for many organizations and has never 'been burned' with any of them up to this point. Verworn asks Fallon that from a 'trending' standpoint is that he is confident the District will reach \$650,000 and Fallon states "Yes, I would think so." Verworn asks Fallon if he is behind the levy request/resolution 100% and Fallon states that he absolutely is behind this levy. Out of six resolutions provided, Resolution 2019-03 is what is unanimously decided on. Verworn summarizes the request details; \$631,500 requested amount for levy; \$212,000 into CIP (37.72 mills); 10 year duration.

Fallon makes a motion to accept Resolution 2019-03 as presented; seconded by Adams; motion passes.

Adams makes a motion to reject Resolutions 2019-01, 02, 04, 05, and 06; seconded by Fallon; motion passes.

RESOLUTIONS:

2019-01 Resolution Calling for an Election to Increase the Levy for Evergreen Fire District
2019-02 Resolution Calling for an Election to Increase the Levy for Evergreen Fire District
2019-03 Resolution Calling for an Election to Increase the Levy for Evergreen Fire District
2019-04 Resolution Calling for an Election to Increase the Levy for Evergreen Fire District
2019-05 Resolution Calling for an Election to Increase the Levy for Evergreen Fire District
2019-06 Resolution Calling for an Election to Increase the Levy for Evergreen Fire District

NEW ITEMS/UPDATES:

1. Levy PR Discussion

Verworn states he was surprised to hear at least 3 committee members state that they did not 'hear the District's story' after having campaigned a year ago for the first levy. Chief Williams states he is concerned that 4 polled voters out of 10 did not receive newsletter as elected voters. Fallon agrees that it is puzzling and a disappointment. Fallon states that at least 10% of ballots that are mailed out get returned. It's a matter of incorrect addresses and some not getting delivered. Verworn states there are groups who will get levies passed and Chief Williams states he is already aware of them and Big Sky PR starts at \$10,000. They will do a video series, interview Board members, personnel, ride a long. Verworn asks if it is worth the price and Chief Williams states has been worth it to larger departments like Big Sky Fire and others who have had 'high end' levies will say it was worth it. Chief Williams states it is not within the District's budget. Adams states that he is confident in the levy passing due to cutting the amount by 55%. The District will start with a press release and follow with radio ads, FaceBook, and other media resource. Chief Williams asks that all Board members be involved in the PR work and show a united front of support. Chief Williams states he is getting 836 (1986 Ford) Engine and will be donating that to the VA to help with their fire program in the Swan area and will be using it as PR.

CHIEF'S REPORT:

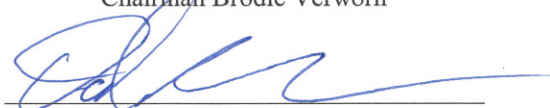
1. November 2018 Call Volume

Adjourn at 8:38 pm

The President of the Board of Trustees, as presiding officer of any meeting of the Board of Trustees, may close the meeting during the time the discussion relates to a matter of individual privacy; and, then, if, and only if, the presiding officer determines that the demands of individual privacy clearly exceed the merits of public disclosure. The right of individual privacy may be waived by the individual about whom the discussion pertains; and, in that event, the meeting must be open.



Chairman Brodie Verworn



Secretary Dave Adams